INFORMATIONAL HEARING

BEFORE THE

CALIFORNIA ENERGY RESOURCES CONSERVATION

AND DEVELOPMENT COMMISSION

In the Matter of:	)	
	)	
Application for Certification	)	Docket No.
For the Rice Solar Energy	)	09-AFC-10
Power Plant Project	)	
_____	)	

BLYTHE CITY HALL COUNCIL CHAMBERS

235 NORTH BROADWAY

BLYTHE, CALIFORNIA

MONDAY, JANUARY 25, 2010

6:10 P.M.

Reported by:
Martha L. Nelson, CERT

APPEARANCES

COMMISSIONERS

KAREN DOUGLAS

ROBERT WEISENMILLER

HEARING ADVISORS

RAOUL RENAUD

KOURTNEY VACCARO

APPLICANT

SCOTT GALATI, GALATI & BLEK

JOHN KESSLER, SOLAR RESERVE

TOM GEORGEOUS, SOLAR RESERVE

MATT HELD, SOLAR RESERVE

ANDREA GRENIER, GRENIER AND ASSOCIATES

BILL GOULD, SOLAR RESERVE

STAFF

SUSANNAH CHURCHILL

PANAMA BARTHOLOMY

JAMES DAVIS, CEC

ALAN SOLOMON, CEC

ALLISON SHAFFER, BLM

ALSO PRESENT

ELIZABETH KLEBANER, CURE

LIANA REILLY, WESTERN AREA POWER ADMINISTRATION

APPEARANCES CONTINUED

ALSO PRESENT

BOB JENSEN

CHARLES HULL

JIM SHIPLEY

LEE HAVEN

ALFREDO MARTINEZ-MORALES

LARRY MCLAUGHLIN

DAVE LANE

BLYTHE, CALIFORNIA, MONDAY, JANUARY 25, 2010

PROCEEDINGS BEGIN AT 6:10 P.M.

COMMISSIONER WEISENMILLER: Good evening. Welcome to the meeting, those of you who have both been to the site visit today and those of you who have managed to come tonight. We're looking forward for an informative discussion tonight. And I'll now turn things over to the hearing advisor.

HEARING OFFICER VACCARO: Thank you. Again, for those of you who did not come at 5:00 p.m., just to make sure that we know what we're doing and why we're here, we're handling three different projects this evening, but we're starting with the Rice Solar Energy Project.

In just a second, so that everybody can see who we are, I want to make clear, we introduced quite a few people a few moments ago. I want to be clear that we understand who the committee is and who the parties are in this matter.

I am the Hearing Advisor in this matter, Kourtney Vaccaro. The presiding member is Commissioner Weisenmiller, and the associate member is Commissioner Douglas. The parties in this matter are the commission staff, who you've already been introduced to, and they will introduce themselves again, and the applicant. In this matter we do not have an intervenor. An intervenor was introduced a little earlier on. That was in the Blythe matter and in the Palen matter. Right now we only have two -- two parties, the applicant and the

staff.

Something that's very important for housekeeping, before we went on the Rice trip I think I admonished everybody that it's very important that if you have a comment, if there's something that you want to say that you want made known, if you have questions, please fill out the blue card, come to the podium and speak publicly. Submit something in writing so that we can get that docketed and have it distributed to everyone. It's very important that members of the public and, in addition, the parties don't try to have off the record substantive conversations with the commissioners or their advisors or me about any of these matters.

This is a full and fair proceeding, and we need it to be impartial, we need it to be transparent. So it's very important. We want your comments. We just want you to follow a process that ensures that everyone gets the benefit of a full and fair proceeding.

We have a few empty seats up here. I see a lot of people standing. If you don't want to stand, please come forward. I think we've got two in the front right-of-way, a few in the middle over there, if it's a little more comfortable for you.

Otherwise, it think what we're going to do is ensure that if you have a blue card. Jim Davis, our public liaison back there, if you can raise your hand. Please make sure to

legibly write your first name and last name and give your cards to Jim. And at the end of this we're going to go ahead and take public comment on the Rice proceeding.

So with that, since we've gone through the entire process already explaining why it is that we're here and what it is that we're intending to do, we'd like to go ahead and get started with an explanation of the project, and get a sense of what the issues might be and what the schedule is going to look like for this project.

So with that, Mr. Galati, if you'd like to go ahead and introduce your team.

MS. GALATI: I'm Scott Galati, representing SolarReserve.

MR. BENOIT: Jeff Benoit, a project manager with SolarReserve on the Rice project.

MS. GRENIER: I'm Andrea Grenier, permitting consulting, SolarReserve.

MS. GALATI: I'm going to introduce some people in the audience. And, guys, help me with your titles.

We've got Tom Georgeous (phonetic) from SolarReserve.

MR. GEORGEOUS: I'm the vice president of development overseeing this project at the corporate level for SolarReserve.

MS. GALATI: And we have Matt Held from SolarReserve.

MR. HELD: I'm the director, project manager for

SolarReserve.

MS. GALATI: We have Vaughan Johnson.

MR. JOHNSON: Development manager of SolarReserve.

MS. GALATI: We have Andrew Wong.

MR. WONG: Senior development manager.

MS. GALATI: I think that was -- Scott Kaminski.

MR. KAMINSKI: I'm the senior project engineer. I'll be responsible for engineering of the project.

MS. GALATI: Okay. We have Bill Gould.

MR. GOULD: I'm the chief technology officer for SolarReserve.

MS. GALATI: Okay. And for any of you who want to know, there was a project in the '90s that Mr. Gould operated and worked on which used the molten salt technology here today. He'll be available after if anybody has any questions.

We also are supported by CH2M Hill, Doug Davy, and Bob Anders from WorleyParsons. And if -- did I miss anybody else from our -- from our team? Bob Gladden. And we have Sara Madas (phonetic) from CH2M Hill. I see her hiding behind Bill. Thank you for the opportunity.

MS. GALATI: Jeff, do you want to do your presentation?

MR. BENOIT: Okay.

MS. GALATI: Do you want to go up there or use the clicker from down here?

MR. BENOIT: Yeah. This is --

HEARING OFFICER VACARRO: And again, just before you start your presentation, for those of you who don't -- didn't understand why we're not using microphones, for some reason or other the system isn't working. So we're trying to project as best we can to make sure that everyone can hear it.

MR. BENOIT: Good evening. My name is Jeff Benoit. I'm the project manager for SolarReserve on the Rice Solar Energy project. I'd like to thank Commissioner Weisenmiller and Commissioner Douglas, and Hearing Officers Vaccaro and Renaud for the opportunity, the Bureau of Land Management and Western for the opportunity, and the public. Hopefully we'll be able to give you a presentation of -- of our project.

I will be managing the project for -- for SolarReserve. And we -- we look forward to presenting to you our technology, our background, and some of the people who you just met in the -- in the audience here that will be supporting me in my role trying to get this project underway. Okay.

So in a sense, who are we? We are SolarReserve. We're a California based company located in Santa Monica. And we have what we believe to be a market leading technology for renewable energy that primarily will allow us to store energy of the sun and use that energy in times when the sun is not shining. We've been around for a few years, since 2007. And the company, a lot of the individuals who are not here tonight

are also represented as veterans -- veterans in the industry.

And we're backed by a consortium of some financial people who are backing us with seed money right now to get -- get these projects off the ground, most notably, the US Renewables Group.

Our technology, which is very important, is being developed and has been developed mostly by the people from Rocketdyne. They relocated in Canoga Park, and they're a subsidiary of both Pratt & Whitney, and ultimately united -- United Technologies Corporation. We have an exclusive worldwide license for the technology, and that's probably one of our -- our best assets, as you'll see as we go through the presentation.

The team is, again, consistent of -- of -- of many people that aren't here who have backgrounds in clean -- clean energy with wind energy and others in the past, and has a substantial amount of megawatts already with that -- that group behind us.

We're -- we're developing as many as 20 projects right now, most notably in California, Arizona, Nevada, and also one -- one project in Spain at Cinco Casas (phonetic). So we're -- we're well on our way. And this -- this project is one of the most mature. We're certainly looking forward to moving it forward.

Okay. On the technology, a little bit more detail,

we're going to be able to get our energy from the sun and, as I mentioned earlier, be able to store that energy and deliver it to the grid on demand. So primarily when the sun is not shining we should still have the ability to bring -- bring that electricity to the grid, which will make us stand -- stand apart in many of the technologies.

How do we do that? We have a process where we use liquid salt, various grades of salt that will be heated to as much as 1,050 degrees. And then that salt is stored and it can be used to generate electricity in a typical way by generating steam and then a typical combined steam process.

So we have, again, Rocketdyne, who is located in Canoga Park. They've -- they've been doing this upfront work on the technology for literally years now. And if you haven't heard of those folks they were -- they were the people who were working on the Apollo rockets and put the men on the moon, and -- and the space shuttle program, and the International Space Station that's running now I guess has certain components that are also attributed to that -- that technology. So we -- we feel that we have a solid backing, the technology is with us, and we hope that this also will be able to put us at the forefront.

And -- and again, being a US company we -- we intend to keep -- keep the technology and the -- and the business in -- in the US primarily, so it will be bringing the money

back home hopefully. Okay.

So a little bit of background about Solar -- Solar II. Solar II was a pilot project that was put online back in the ‘90s, and it was in Barstow. The -- it was a ten -- ten megawatt pilot plant -- pilot plant, 1996 to 1999. And it had a demonstrated ability to operate even after the sun -- sun was down to shift the load when needed.

There was a little quotation from a DOE brochure from back in 2000. And -- and they -- they say that after three years of operating, lifetime daily operation of Solar II became relatively routine with various performance records broken on a fairly regular basis. So we do have some history here and we’re -- we’re looking at developing this technology to supercede, obviously, the -- the early stages.

Technically there’s a real -- real simplistic PFD, I guess, if you will. And I’m going to break this up and go through it real quickly. But starting from the left we have a number of heliostats, heliostats being a fancy term for mirrors that are located in a circular pattern around the central tower. In our case they -- we -- we’re looking at almost about 17,000 to 18,000 of these -- of these heliostats, so it’s quite a substantial installation.

Those heliostats will be mobile during the day. They’ll -- they’ll follow the sun. They will concentrate the sun’s energy onto what we call a receive. The receiver sits on

the top of a central tower. And moving to the right slightly you'll see that there are two storage tanks. Storage tanks are consisting of what we call a hot storage tank and a cold storage tank. In fact, the cold storage tank is about -- contains liquid salt about 550 degrees, where the hot storage tank is liquid salt at 1,050 degrees. So it's a closed process. Pumps take the cold salt up into the receiver. The sun heats that salt. Hot -- hot liquid salt comes back down into the tank.

And then from there it becomes pretty much a typical traditional steam generation system. Steam -- steam is generated through a number of exchangers into -- from the salt and then is driven -- drives a turbine. And the generator and then the electricity is -- is produced that way.

So the right side of the -- of the PFD is pretty -- pretty typical. The left is our unique technology, and that's what, you know, we're -- we're excited about bringing to the market.

This slide, again, shows some of the -- some of the technical aspects of the -- of the work we're doing. You know, we -- we like to use so many terms. We're decoupling electricity generation from energy collection. The -- the little slide on the right shows that energy -- when the energy is being collected from the sun. The sun is out roughly between, you know, eight in the morning, nine in the morning,

until four o'clock in the afternoon. However, we -- we're able to generate electricity by shifting, you know, left to right, even after the sun goes down. So that -- that really is -- is one of the -- you know, the asset that we bring here.

This particular project, the characteristics that are unique to this project, we're looking at 150 megawatt plant. That would be typical production. Sustainable energy. In other words, we can produce 150 megawatts on a constant basis, again, while -- while the sun is out or not. We feel this is highly predictable and dependable fuel supply. It's a 95 percent availability in the location that we're planning to locate. It's 100 percent dispatchable when -- when it's necessary. When -- when someone has a demand we can produce that electricity and get it online and onto the grid.

We're using dry cooling. We plan to use dry cooling and to minimize our groundwater usage substantially from the original initial engineering. We estimate not -- not to exceed 180 acre feet, and that's probably on the high side.

We've executed a power purchase agreement with PG&E. We have a contract in place with them. We have a customer, and that was a bid hurdle that we overcame and -- and signed off just before Christmas this year. So it's another big milestone for this particular project.

We're in the second state of the DOE loan guarantee program. We've already crossed the first hurdle. And this

particular loan guarantee program is for technologies that are unique. So DOE has entertained our first round. They have indicated that they like what they see, that there is some uniqueness to our -- to our technology, and we're moving into the second round. So we're -- we're excited about participating in the DOE loan guarantee.

And we're also interested in getting some ARRA funding which we, you know, again, hope that the commission will work with us and move this up on an expedited basis so that we can fit into some of the milestones necessary there.

Particularly on the project location, for those of you who were on the bus today you've got a pretty good idea of where -- where we're going to be set up, and just some -- some of the specifics about the project. We have a land holding of about 3,300 acres. And I want to indicate right off the bat that this is not BLM land, it's private land. It's land that was previously disturbed. It was an army airbase during World War II. So we -- we feel like with the private land we have some distinction here. It's 3,300 acres that we will eventually end up owning. Approximately 1,500 acres of that land will be used for the solar facility, per se. The previously disturbed site is a former army airbase at Rice. And it was a private airfield, from what I'm told, that was abandoned in 1958.

It's a remote location. The nearest sensitive

receptor is about 15 miles away at Vidal Junction. We think that the site is ideal for development. The topography is very level. It's going to be easy to build on. So we -- we don't have any particular problems with the topography from a construction or development point of view.

Transmission-wise, we are -- we're looking at ten mile transmission line from the power block, primarily across BLM land to the Western power line, which runs down toward -- towards Blythe. So that will be a ten -- ten mile line off the power block. Okay.

The central receive tower is located about a mile south of State Route 62. So we -- and we did have some balloons that were in place today for those who were on the site to give an indication of the distances that we're talking about. The solar field will be about two miles in diameter with the -- with the power tower somewhat in the middle, about almost a mile off the road. So it's not going to be real evident right -- right in front of you in the -- from the roadway.

We don't believe it's located in any critical habitat areas, those being defined by certain parameters that are published.

And also, recently we've got a determination from the FAA that there's no hazard to air navigation.

Here's a site map which will give you an indication,

if you're not real familiar with the territory. The -- the red star is where we're -- we're planning to locate. It's considerably out in the middle of nowhere and not too far, let's say about 15 miles from Vidal -- Vidal Junction.

This -- this slide I wanted to put in here because it can give you an indication from an overhead that there was -- where the star is there -- there were some runways that were located, again, during World War II. They're -- they're located about 90 degrees to each other. I guess depending on which way the wind was blowing. But it is a disturbed site in the sense that it is not pristine. And we believe it's going to be easy -- easy to build on. And it's a good shot of where we're at. Okay.

Our next slide deals with the transmission line. And again, this is our proposed route, the new ten mile long transmission line across BLM managed lands to interconnect with the Western -- and I think if my pointer -- okay. There's the -- there's the Western line that we hope to -- to tie into. We'll have a little station here, a new connection station at the end of that ten mile terminus.

This is an architectural rendering of -- of what this facility will look like once it's completed. And again, we're looking at about a two mile diameter across that heliostat field. There are about 17,500 of those mirrors. The mirrors about 24 feet, 30 feet by 30 feet. So they're a pretty --

pretty good size, not very small mirrors. And there's enough of them to cover the two mile diameter.

Oh. Okay. For -- for those who were with us today here is State Route 62. We came -- we came in on the bus to this little pad here, which I believe was the parade grounds during General Sherman's army days. And so that -- that will give you a sense of where we were. And we -- we had the balloons set up so you could see that this is about a mile off the roadway. And we had some other balloons at the perimeter of the -- of the circle. Thank you.

UNIDENTIFIED MALE: Patton.

MR. BENOIT: Patton?

UNIDENTIFIED MALE: (Off mike.) Yeah. Sherman wasn't (inaudible) during the war.

MR. BENOIT: Okay. I'm from Boston originally. What can I tell you. Thank you. Okay.

The economic benefits, we're getting close to the end of the presentation, and this, I guess, we saved some of the best for the last. But basically, we're looking at roughly $800 million capital investment on the project. We're -- we're anticipating about 450 construction jobs over a 30 month construction period. And then during operation 50 jobs on a continuing basis at the plant. We estimate there will be a $600 million annual operating budget once the plant is operating, and most of that would be spent in the local area to

support the operation of the plant.

We estimate we'll contribute about $17 million of sales tax during construction. And on a per year basis about 85,000 per year in sales tax during operations. Property tax, approximately 210,000 per year in revenue.

And I guess in a final -- final note, we believe the Rice Energy Project will enhance the local economy by generating additional tax revenue, creating new jobs, and boosting revenue for local businesses.

So with that there's some contact information. And that concludes my -- my presentation.

HEARING OFFICER VACARRO: Thank you.

MR. BENOIT: You're welcome.

HEARING OFFICER VACCARO: Are you going to continue? Do you have others from -- that are going to speak --

MS. GALATI: That's it.

HEARING OFFICER VACARRO: -- at this point?

MS. GALATI: That's it.

HEARING OFFICER VACARRO: Okay. I think what -- what I'd like to do is to -- to go ahead and move forward with staff's discussion right now of issues that have already been identified. And afterwards we'll go ahead with committee comments during that discussion, and public questions and comments afterwards that the applicant can answer at that time.

But, John, before we move forward, so that you

reintroduce yourselves, I want to backtrack a little bit to let everybody know what we're doing next. When this hearing was noticed in early January we put a very important feature in the notice. In addition to letting everybody know that we're having this hearing, that we're going out on a site visit, we also asked staff to publish, so that we could have available for discussion tonight, an issues identification report, which is a very important document because it allows the applicant, the committee and the public to know at this juncture what are the things that staff has identified as being potential issues that are going to be requiring a resolution as this process moves forward. We're going to discuss those in just a moment.

But in addition to that we're going to talk about the schedule and how this is going to proceed over the course of the next year.

So I'm going to turn it over to staff to begin with the issues identification report. The committee may very well chime in with questions. Again, that's not the time for public comment and questions. We'd like that to happen at the every end.

So with that, John, if you'd go ahead and reintroduce yourself and then get us started.

MR. KESSLER: I got to show off my adeptness at one of those little touch pads. I hope you guys are more talented than I at -- at using those.

I'm John Kessler, the project manager, representing the staff. There's a few more members of the staff on our team that will be focusing on the Rice project that I'd like to introduce to you.

First, Terry O'Brien is the deputy director of our siting, transmission and environmental protection division. Eileen Allen in the back here is our manager of project management and compliance. So she has both Alan and I and a bunch of other project managers who deal with the certification side of the projects, as well as the compliance end once the project is approved by the commission as it moves into construction and follow through its -- its life, through operation and decommissioning. We have Deborah Dyer who's our staff counsel here in the front. Shaelyn Stratton who is to be helping us with land use. Scott White, our biologist here in the back. And we have Susanne Finney. Where did you go Suzanne? All right. You're going to spread me out here. All right.

Let's see. So the purpose of the -- the issues ID report is really to inform participants of the potential issues, provide an early focus, and -- and know that it's -- it's -- it's not a limiting process. It's -- it's something that -- it's something that -- that could change, evolve over time as we learn more about the project. Thank you.

The criteria that we use to identify issues as other

significant impacts that we foresee that may be difficult to mitigate, are there -- as a project that's currently proposed are there potential nonconformance issues with LORS or -- excuse me, we call them LORS, but it stands for laws, ordinances, regulations and standards. So it could be in conformance with county regulations and the general plan. It could have to do with state, federal laws and regulations, as well, you know, or potential conflicts or issues that we see as taking a lot of time to resolve that could effect the project schedule. So those are the main categories.

Our four issues that we have identified for the Rice project are biological resources, soil and water, transmission system engineering and visual resources.

First with bio, letting you know that the desert tortoise is a state and federally listed species. We do know it's present on the site. We don't know a whole lot about its -- its population and so on. But that's something that there will have to be mitigation to develop. But mitigation can often be something that has to be very carefully coordinated with state and federal agencies, California Department of Fish and Game, our own staff, ultimately the commission decision, US Fish and Wildlife Service, Western, and BLM all will be involved in -- in crafting what we feel are the -- is the habitat value of the site and what is the appropriate mitigation to offset the -- the loss to desert

tortoise.

On the bio side we also see a need for additional surveys. This could include spring surveys for desert tortoise related to the relocation-translocation area. So normally when you fence off the project site you're looking at having to assume that the site is going to be subject to disturbance and subject to mortality to the tortoise. So you have to look at moving them to a site in equal or better habitat.

And so in order to support that we need to know that the habitat is going to be of a nature that provides the vegetation, the forage food for the tortoise, something that they can continue to survive on. And also populations that don't compete with existing populations, so they have to sense for the -- the carrying capacity of that proposed area. But generally we try to make that as close to the project site as -- as possible so that it helps them adapt to something in their locale.

We also see that there may be a need for looking at special status plants. Now the applicant did perform surveys during the spring season. There may be a need to look at those that would be evident during the summer season. So this is something we'll have to study a little bit more and something that could come into the schedule overall considering when we want to incorporate that information into our document.

The next topic we kind of call potential design

optimization. But as many of you saw that there are some dry washes or ephemeral drainages that primarily come alive when it rains hard in the desert. And the current proposal is to, basically, head off those -- that drainage and move it from the north incoming, there's water coming on to the site from other land above it, north of it, and move it to the sides, on the east and west sides, and then allow it to move to the south in that general direction.

Some of the tradeoffs of that are what are the functions and values of those streams for supporting other vegetation and other wildlife. Certain vegetation can grow in streams where other -- other status plants can not, and that supports birds and other types of wildlife. So we need to know that -- a little bit more about to what extent are there values with those existing drainages and is there a need to maintain water through those courses as it runs currently, rather than necessarily being diverted around the site.

We also have, under the proposal, evaporation ponds. And whenever you have waste water going to an evaporation pond -- I don't think this is -- this -- we're not talking about hazardous waste, we're just talking about water that's concentrated and salts and so on -- when it has a chance to evaporate it also creates an environment that could be difficult or even cause mortality to birds. There's ways to design around that, netting, steep sides to the ponds and so

on, which we can explore. But that's something that we'll have to kind of fine tune in our -- hopefully our discussions and our analysis of staff.

There's also a number of permit applications and draft protection plans that we like to see as staff that help us in our analysis establish that there's enough foresight recognition of the potential impacts are, and that there is a concept for mitigating so that we can conclude and represent to our committee and commission that we feel that the project can fully mitigate its impacts.

These include things like the -- the coordination with, say, California Department of Fish and Game. There will be a streambed alteration agreement application. There will be an incidental take permit application related to effecting the desert tortoise. There will be a biological assessment that the applicant prepares and moves on to BLM and Western that eventually gets transformed by Fish and Wildlife through consultation to a biological opinion. Those are the kind of things that will need to be prepared, and they are time consuming and could effect schedule.

But we feel with our experience on some other projects that we can help support the applicant with an efficient level or preparation, as well as their environmental consultant, CH2M Hill has -- has a common place with some other projects that have already been through that. So I think

that’s really going to help in this process too.

On the soil and water side there’s some overlap with what I discussed on bio. But again, the -- when you relocate the natural drainages you disrupt the natural surface flows. There is some consideration. And -- and normally our rule of thumb with storm water is that we don’t want the developed condition of storm water volumes and the rate of that flow to exceed the predeveloped condition. But in cases where you don’t have a terminal point, say it’s in a river system where -- where that water can really concentrate and cause downstream flooding, it may not be so much of an issue. It might be one where we can allow pass through and not even require storm water detention. So that’s something that -- that we’ll be looking at.

Currently the project does propose storm water detention, which basically is just a pond that allows it to capture and lessen the -- the flow and hold it temporarily and pass it through the system in kind of a delayed manner.

The other is we want to look at the potential for scour and effects on heliostats -- this is something we’ve learned with another project preceding Rice -- that in the event that the velocities associated with the storm water through these dry washes, ephemeral drainages, are of a high enough velocity and a high enough flow rate they can actually scour the pylons that support the mirror elements. And that

can cause failure to the system. That can cause glass and other debris to be carried downstream.

So we want to make sure that there's a factor that's considered as to what is the potential for scour. If it's high is it something -- it doesn't mean you can't design for that. It just means you have to put your pylons a little bit deeper. You have to have a system for monitoring it and so on. So that's the kind of thing we'll be looking at for that concern.

The transmission system engineering issues really boils down to a system impact study, which is already underway. So we just don't have that in hand. That's the only reason we list it here. But that boils to for the connection to the Western Area Power Administration we need to look at the effect of this additional 150 megawatts of generation feeding into their system.

And the result of that is that it can sometimes cause loading or overload into a conductor's actual wires on the transmission system. It can effect the substations downstream in terms of the loaders on transformers that are switch gear. It can sometimes require special protection systems be included so that -- and it looks at a number of contingencies, so that if you lose load over here in this line and all of a sudden it causes a greater overload in the main line it's feeding into, where the cumulative effects of all that.

So that's a study that's underway. We understand

from Liana that that is soon to be done in the next month or so. Once we have that I think that issue will be put to bed.

And on visual resources, I think most of you caught the point that the -- the heliostats are among the -- those in the field are 28 or so feet high. We also have a 653 foot high central solar power tower which is collecting and receiving the -- the reflection off the -- off the heliostats. And that's certainly going to be an intrusion to the natural landscape. We have to look at what is the potential significance of that.

One of the things that we normally have with -- have used in a tool in our gas fired power plants that we have licensed in the past that have lower profile structures are screening tools, vegetation, fencing and so on, or actually changing the profile in terms of sinking the elevation of the project within a basin so that you can kind of have berms built up around the sides. As you can guess, for a 653 foot high tower that won't be an option for us. We can't make that change in the landscape go away. It's also going to be glowing and look a lot like a sun when it's operating by day. So it's something that will be, you know, certainly noticeable.

And so that's something that we'll be looking at the effects of and -- and trying to determine what is that -- what is the significance in terms of the natural environment and other potential projects that may develop in the area, and what

are our options for trying to mitigate that.

I'll move into the schedule.

HEARING OFFICER VACARRO: John, can I interrupt, please?

MR. KESSLER: Yes.

HEARING OFFICER VACCARO: Because, you know what, that was an awful lot of information and it was really helpful and good information. I'd like if we could go ahead and just stick with the issues right now --

MR. KESSLER: Sure.

HEARING OFFICER VACCARO: -- and maybe hear from the applicant. And -- and I know you identified them as potential issues and --

MR. KESSLER: Yes.

HEARING OFFICER VACCARO: -- things that you're waiting for and the like. But I'm thinking maybe before we get to the schedule let's talk a little bit about what sense you have of the issues that have been raised. And I know the committee has a few questions, as well, regarding the issues. Thank you.

MS. GALATI: Yeah. First of all, I think we'd -- we'd agree that -- that many of the issues that are raised are issues that we're going to have to work on. I would point out that from a biological perspective these are the same things that -- that all of the projects are facing. These are not

unique to the Rice project.

What is unique to the Rice project, though, is that it's private land and it's previously disturbed.

Another thing that is unique to the Rice project, and you may have seen, is it at one point in time had the storm water diverted around the site. And there's been a slight breach over one side of that. If you look at our plan, our plan is to pretty much restore that.

So I think what we do have here at the Rice project is something that might even be more easily solvable than some of the projects in the larger washes that staff has struggled with in the past.

The second thing is I -- I would point out that we have done all of our protocol surveys for all of our disturbance areas. And again, what we believe is that there's very, very low quality towards habitat. The desert tortoises that were found were primarily on the transmission line, which is going to be a temporary disturbed area. We are right next to a desert wildlife management area. That would be the area that BLM was able to do it. If Fish and Game agree with us we would like to relocate the tortoises right there along the transmission line. We think that's a simple, easy solution, and very similar to some of the things that was done in the Blythe I and Blythe II project.

I think that the -- the committee has heard me speak

before about whether or not all of these different applications and plans are required at this stage. Again, I would try to expand on a little something that I have been saying, which is we believe that staff can adopt performance standards, as opposed to requiring some of these detailed plans up front. We're certainly going to prepare them if they ask, but we would like staff to consider some performance standards for some of these plans. We have management control plans, we have management plans. We certainly can.

But we don't believe that staff needs to review each and every one of these plans to get a draft out. And -- and -- and when we come to the schedule we'll -- you'll see that we have shrunk staff's with that -- with that in mind.

Again, soil and water resources are one of the things that -- that -- it -- I'm not sure that we agree that there is potential scour. I -- I will tell you this, it is in the applicant's best interest, always, to protect their $800 million worth of equipment that they put on the ground. And we have WorleyParsons, a design engineer. And we have a licensed technology from Rocketdyne. We -- whatever the depth of that foundation is during final design will take into account all kinds of things, including scour potential.

So we'd be more than happy to work with staff and let the engineers talk and figure out whether or not we've been able to get to that level yet. We understand that it has come

up in other projects, so we think it's right that staff consider it. But we think that this is an easily solvable problem, even if it is an engineering solution or deep into the bio.

Last, with the transmission system engineering, I'd just like to remind the -- the commission that the commission has gone down this path before. When it comes transmission -- and I know that the scale of the project is somewhat -- is larger than the commission is used to. But we have two projects right down the street, one built, one licensed. Both those projects were joint BLM, Western and Energy Commission projects. I will tell you that the Blythe I project we're very proud of which was -- it was licensed within 12 months.

We have been working with Western for quite some time, and we've been working with BLM most recently. And we believe that the model to follow is very similar to that. We think that we're glad to have from the transmission system engineering perspective Western be pretty much our lead agency and -- and co-lead agency and partner because they are doing that study, which I think -- which I think is -- is going to be helpful. Hopefully we'll have it a month. And I think we might be ahead of some projects from that perspective.

From a visual resource perspective it's a tall tower. You will see this facility. And it depends on what you determine as a threshold of significance. That's we'll

continue to work with staff. We believe that if you're going to locate a tall tower you should be in a remote location. And -- and we have selected a remote location for that purpose. And we're surprised to see that it's possible that because it's remote it's even maybe less acceptable.

But we're happy to roll up our sleeves, work with staff. We're not going to be able to screen it and it will be seen. So that might be something for the committee to decide at some point in -- in the future.

But, again, as -- as a working relationship with staff, if we disagree on that particular point, whether it's an impact or not, we don't think they should continue to hold up the process. We'll just move on through and -- and -- and -- and let you decide whether that -- that tall tower is something that's acceptable to you.

Those are my quick summary of the issues. We think that they are imminently solvable and -- and look forward to getting data requests and working with staff on them.

HEARING OFFICER VACCARO: Okay. Commissioners?

COMMISSIONER WEISENMILLER: Sure. I -- I have just a couple of questions.

The first one was actually just a suggestion. On page 13 when you go through the project economic benefits --

MS. GALATI: Uh-huh.

COMMISSIONER WEISENMILLER: -- it may help to also include any estimated payroll taxes, both on manufacturing and operation, when you go through the economic benefits.

More on the substantive side of stuff, as I understand it your -- your -- the timeline you're proposing or schedules, based upon you want the possibility of getting the ARRA funding, which means, at least under the current law, that you have to start construction this year.

MS. GALATI: That's --

COMMISSIONER WEISENMILLER: That's correct?

MS. GALATI: That's correct. There is also a safe harbor provision of being able to spend enough money --

COMMISSIONER WEISENMILLER: Right.

MS. GALATI: -- by the end. Of course, we would not be spending the money without a permit, which could get us a safe harbor provision.

And again, just jumping ahead to that issue, we recognize that staff is overburdened. All we're asking the committee to do is to not adopt the schedule that precludes ARRA funding. If we are successful, if we solve these issues, if we make it easier for your staff, if we -- we want the possibility of getting a license by the end of the year.

COMMISSIONER WEISENMILLER: Yeah. Is this project going to be project financed or is on a balance sheet?

MS. GALATI: It's project financed, and we are

cooperating, as you heard before, with the DOE loan guarantee.

COMMISSIONER WEISENMILLER: Okay. And that's the 205 loan guarantee --

MS. GALATI: I'm going to ask.

COMMISSIONER WEISENMILLER: -- or the more recent one?

MS. GALATI: Probably I have somebody who knows a lot more about that than me if you have more questions about that.

Matt or Tom?

MR. HELD: Yeah. The Department of Energy loan guarantee program for innovative technologies --

MS. GALATI: Hang -- hang on a second, Matt. If you could come up to the microphone so we can record it. Thanks.

MR. HELD: The microphone that's not working?

MS. GALATI: Yeah. But that one actual works because she records it.

MR. HELD: Terrific. Matthew Held, SolarReserve. The Department of Energy Loan Guarantee Program, Section 1703 for innovative technologies is a loan guarantee support that will help us attract private sector loan financing.

COMMISSIONER WEISENMILLER: Now I assume to get the project financing closed by the end of the year you're going to need to have the transmission -- or a transmission agreement in place. What -- what do you need from WAPA and by when to meet your schedule?

MS. GALATI: Well, I think the first stage is our system impact study.

And maybe, Matt, you can describe after the system impact study the next study that we do, an --

MR. HELD: Yeah.

MS. GALATI: -- interconnection agreement.

MR. HELD: The system impact study will be complete in preps about 90 days by Western. And we'll have about a 30 to 60 day window after that to move into a detailed facilities study process. And that's, again, up to Western to set the timeframe for that. But typically probably three to six months to complete the detailed facilities study. We had very positive indications from the initial feasibility study that Western presented to us some months ago that we would not be facing re-conductoring or any significant impacts but, again, subject to validation in the system impacts study.

MS. GALATI: And Commissioner Weisenmiller, what has been the practice prior to the Cal ISO cluster studies was a system impact study was sufficient to get your license.

COMMISSIONER WEISENMILLER: Right.

MS. GALATI: And you would get a condition requiring a detailed facilities study and an interconnection agreement, and proof that you have paid for those --

COMMISSIONER WEISENMILLER: Right.

MS. GALATI: -- before you build the transmission

facilities. So you could start construction without the transmission facilities without that agreement in place.

COMMISSIONER WEISENMILLER: Yeah.

MS. GALATI: It's probably something we wouldn't do because of our financing, but it is possible.

COMMISSIONER WEISENMILLER: Yeah. I just want it to be clear that if -- if it turned out that the Energy Commission was not the critical path item that to really close financing you actually had to have a signed interconnection agreement with WAPA. And if you could not achieve that, you know, by the end of the year then, obviously, we would want the notification so we could adjust our schedule so we would not, you know, putting the staff under more stress than they need at this stage.

MS. GALATI: You bet, and I think that's fair.

COMMISSIONER WEISENMILLER: Okay. I did notice in terms of the schedule, the other question which -- obviously, I'm a chemist, not a biologist. But as you're struggling with how to deal with the summer flower surveys question, the question is: Is there any possibility that there's any Landsat data that might help clarify that?

MS. GALATI: You know what, Commissioner Weisenmiller, I'm -- until I saw the staff's issue identification report I didn't know that that was an issue. I thought that we performed our protocol level surveys during the

appropriate timeframe. So I'm assuming in the data requests that we will get more information about what surveys specifically. We might have somebody here who knows more about that issue.

COMMISSIONER WEISENMILLER: Yeah. I don't -- I don't think that was in the issues report. But anyway, that struck me that could really have -- effect your schedule. So we may need some creativity on adjusting that.

MS. GALATI: Great. And one of the things I'd -- I'd offer staff is to the extent that there is -- is some concern over some plants that may not have been picked up in the survey, I think that it is legal and appropriate to assume presence for purposes of getting a draft document out, and then finalizing that during the final part of the case and determining whether it is or not. So this is the areas that I was talking about the other day, about assuming an impact and allowing the dialogue to continue, that would be an area we would -- we would support.

COMMISSIONER WEISENMILLER: Okay. So basically, worst case assumption, until the data come in?

MS. GALATI: Yes.

COMMISSIONER WEISENMILLER: Okay. That's all I have.

COMMISSION DOUGLAS: Mr. Galati, a related question. You suggested that we consider a performance standard approach for some impacts, as opposed to having staff analyze detailed

studies prior to doing their draft. What impacts are you thinking of when you say that?

MS. GALATI: Let me give you a perfect example. One of the areas that we're coming up against that's difficult for all projects is what Fish and Game will determine is an appropriate location for a relocation or translocation site for desert tortoise.

First and foremost, I think every biologist will tell you they prefer relocation because the tortoise stays in its home range. And therefore the tortoise has a much higher probability of -- of living.

Second, because it's in its home range you really don't have the carrying capacity problem of am I moving a tortoise to an area where there's too many tortoises? You don't have the problem of -- of introducing a disease from one location to another location.

And so one of the problems that we've had is Fish and Game's concept is to buy private land and secure it in perpetuity, whereas BLM has been very open to maybe moving the tortoise into a protected area, such as a DWMA. And in our particular case -- and I -- sorry. A DWMA is a desert wildlife management area, and it is -- and we have one right next to us. And it might be a great opportunity for us to do relocation into something within the tortoises home range if Fish and Game would buy off on that.

Our concept would be rather than make us pick and write a draft desert tortoise translocation-relocation plan that is absolutely going to upset one or -- one of the agencies, because it will either -- it has to find private land and then translocate, we would say that the agencies should get together and write a conditions for what we should do and we'll follow it. Our proposal is going to be to move it to the DWMA. But to prepare a draft tortoise plan for staff to review and comment back and forth early in the process, we think staff's time could be better spent doing something else.

I brought up some performance standards on the scour potential. Rather than study this to death we can say that the final design must take into account velocities of X, so that there won't be scour. That is a performance standard that we think could easily be implemented.

In the area of -- of weed management where we've had -- you see that staff's -- there's a weed management plan. There could be a condition that basically tells us exactly how to eradicate weeds and what to use and how to do it. And we've been doing that before. We've done it right over here on Blythe I and Blythe II in the desert, and along the transmission line for Blythe I -- Blythe -- Blythe I's transmission line, you may have seen on your way out to Blythe and Palen, looking at the I-10 corridor, there's a transmission line out there with the Energy Commission permit.

So we would ask staff to look for ways to do it differently than they have most recently. We would ask for them to look for conditions and performance standards that -- what are they looking for in these plans, and just make them a condition. We think that that is -- is a way to actually lower staff's burden during this time where they're overburdened.

And those -- those are a couple of examples. And I'd be more than happy to write a status report with a laundry list of them, of -- of others that -- that -- that we've been kicking around.

COMMISSION DOUGLAS: This is getting us into the discussion on schedule, isn't it?

HEARING OFFICER VACARRO: It is. So I have one final question. Then I think we should probably head to the schedule.

This -- this slide -- and I just want to make sure I am understanding what staff is saying, and perhaps your understanding regarding this tower. But -- you didn't use these words, but what I'm hearing, and maybe it's just me, is that we may have a significant impact that might not be able to be mitigated?

MR. KESSLER: Yes.

HEARING OFFICER VACARRO: And if that's the case then I think isn't it appropriate for us to at least put on the record that we need to start looking and thinking about

overrides. You're saying that you are willing to work with staff. But if staff is -- the subtext is there's no mitigation then there's something that needs to be considered. And I think we start considering it now for the purposes of the record, as opposed to eight months from now.

MS. GALATI: That would be -- that would be great. I would like the opportunity to show why we're not a significant impact, even though we're a large tower.

I would point out that staff so far, to my knowledge, hasn't found a renewable energy project with large expanse in years to not be a significant unmitigated impact. So I think you're going to be dealing with this on every project. And we'd be more than happy to throw things into the record to help support those findings.

But I would like an opportunity to convince staff that maybe ours is not a significant impact in this remote location with very few viewers.

COMMISSION DOUGLAS: Well, I'm glad you brought that up. Just -- just of the purpose of the public discussion that we're having today, can you help put 653 feet in context for the community in terms of comparing it to the size of a building, for example, or is there an easy analogy that either one of you can -- either party can think of?

HEARING OFFICER VACARRO: You know, when on a field --

COMMISSIONER WEISENMILLER: Go ahead. Tell.

HEARING OFFICER VACARRO: Yeah. On the site visit --

COMMISSION DOUGLAS: Uh-huh.

HEARING OFFICER VACARRO: -- that's interesting that you -- that you mentioned that, because there was a cell tower out there. And I specifically asked on the bus what's the height of that cell tower, because we knew that this was an issue. We were told it was about a couple hundred feet. So we're all looking at it like, okay, multiply that by three. That's -- it's -- it's pretty tall.

But, I mean, maybe there's something else for those that weren't on the site visit that you can analogize.

MR. KESSLER: Sure. For all of us absorbing football this weekend, it's the length of two football fields.

HEARING OFFICER VACARRO: Perfect. Thank you.

MR. KESSLER: Sure.

MS. GALATI: Yeah. But again, to just place this in context, it depends from where you are viewing.

COMMISSION DOUGLAS: Yes.

MS. GALATI: Okay. And if -- if sensitive receptors are 15 miles away, let's keep that in -- in context. If you are driving on the -- on the -- on the -- the roadway you have a period of minutes where you may see this facility before you are past it. And hopefully you're not staring at it the entire time that you're driving.

So we would like the opportunity to at least work with -- yes, there is no question, it is a tall tower. We like the fact that it's a tall tower because it's much more efficient and it makes our salt very hot, and we can use a lot of mirrors, and we're getting the best bang that we can get out of the property.

So we would like the opportunity to -- to work with staff to -- to, again, maybe look at KOPs (phonetic) from different locations. And we believe that the remoteness of the area actually serves to lessen its impact and may be not significant.

HEARING OFFICER VACCARO: Okay. Well, as long as we're clear and we have a fuller discussion of -- of this topic.

MS. GALATI: You bet.

HEARING OFFICER VACARRO: Okay. I think that gets us directly into schedule, unless there's something else you wanted to say, John, on issues --

MR. KESSLER: I --

HEARING OFFICER VACCARO: -- before we get into schedule.

MR. KESSLER: I -- I just wanted to add on the visual discussion that I -- I want to make it clear that at this point in time staff doesn't feel we're dealing with the health and public safety issue. Okay. This is an issue of distraction,

an issue of -- of having a new feature in the -- in the -- in the background of -- of -- of a natural environment and how -- to what extent is that considered significant. We're not looking at it as something that's going to effect people. It's going to effect animals and so on. So if that's helpful.

HEARING OFFICER VACCARO: Yes. Thank you.

MR. KESSLER: Our schedule is really a combination of both our state and federal process together. This is the -- following the -- the steps of the -- the fast track projects that are currently seeking ARRA funding that our commission staff is -- is supporting. The only difference is there's a little bit more time built into this. It is the overall objective of meeting the applicant's time as we understood it and -- and specified in their application, which was to be in a position where they could begin construction or at least have their license by spring of 2011.

So that's what we understood going into this, and that's what we've proposed. And certainly the committee will be considering all the considerations of -- of -- of schedule here.

But just the milestones to start off with, the application was filed here with the Energy Commission as of October 21st last year. It was found to be a complete application, having all the -- not all, but enough information that we -- that it met our regulations, our requirements, and

allowed us to move on to the process as of December 2nd last year. And we filed our issue ID report and our proposed schedule last week on the 20th. Today is the informational hearing site visit.

Now moving forward we expect to -- we're targeting to have our data requests out by the beginning of the -- or the end of this week. Alan kind of explained the -- the breadth of that in his presentation of our process. Western Area will be -- as a co-lead with BLM will be -- are preparing the notice of intent to prepare a draft EIS or an EIS. That should be coming out shortly. And that will be published in the Federal Register to allow parties to -- to know, the public.

And then we coordinate with the agencies to -- to -- to identify what are the permit requirements, and we build that into our analysis to understand the issues and -- and the proposed mitigation measures, conditions and certification. So that's actually underway right now.

We also -- there will -- back to the federal process, there will be a public scoping meeting after their notice goes out. It has to be no earlier than 15 days after the notice hits the street. And there will be a scoping report that summarizes the comments we receive, and that helps frame the -- the scope of the analysis. So that's very important information and feedback that -- that not only do we appreciate hearing that today in -- in our Energy Commission forum, but as

well through the -- the federal process that BLM and Western will be conducting.

Data responses; so about early March timeframe is when SolarReserve would be responding to our data requests. It's normally a 30 day clock, unless they have some long lead-time items. And -- and then we'll hold a workshop around mid-March and we'll have a chance to -- to clarify their responses or to say, well, we're hoping to get this information or help us understand this a little bit more, and hopefully have something that we can run with to go and -- and -- and put the touches together on our staff assessment.

We also expect that the committee will introduce a schedule for status reports or status conferences or both during the -- the course of this proceeding. We just made a proposal as to -- that those begin in March and -- and every six weeks thereafter.

Then we'll begin receiving the permit requirements that actually come from our coordinating agencies. One of those will be from the Mojave Air Quality Management District, their preliminary -- preliminary determination of compliance which will certify that the project meets all the air quality requirements. And that's a preliminary action. You'll see that later there's a final determination.

And then we're -- we're looking at preparing an admin draft of our staff assessment to meet our CEQA needs and our

draft EIS to meet the NEPA needs. That's an internal review draft that will go through the -- the levels of -- of our three agency management and legal teams to perfect. And then we're looking to -- there's -- there's a lead in to get that notice out to Washington DC, the EPA on their Federal Register of a couple weeks. But currently we're looking at publishing that in late May, which will be the document that actually -- official document that starts the 90 day clock for -- for their -- for their federal comment period.

I just repeated the same item so you know where we left off.

And then during that comment period we hold a workshop again, because that would be SolarReserve's opportunity, as well as the other parties, to say, well, we may not agree with staff on everything, or maybe the staff misunderstands something. So we have a chance to workshop that and try to come together and -- and really gain agreement on our proposed conditions and certifications. So on the order of what Mr. Galati was saying, we'll have a chance to kind of true up and hopefully, ultimately, present a package that -- where we're marching in and -- and what we're proposing to the committee and -- and make their job a little bit easier and fewer issues to resolve during the hearing process.

There's also the biological assessment that would need to be -- excuse me. There is a final determination of

compliance that would need to come in before our -- our final document from the air district.

And then we'd also at some point begin the evidentiary hearing process. This could be done sooner or later. You'll see that the applicant has proposed a little bit later. And the way that's broken out is the pre-hearing conference basically identifies in which of our say 23 technical areas do we have disagreement, and which of these need to be adjudicated through hearings. And they've developed a schedule for the hearing and -- and basically the -- the lineup of witnesses, and so on.

Fish and Wildlife will also respond with a biological opinion. We'll be preparing responses to the comments we got during the 90 day comment period. And then preparing the -- the -- the final EIS, and then and errata to our staff assessment. So that's to try to make the process as -- flow as comprehensively, but also as efficiently as possible.

And then you'll see at some point we're predicting November, this is really up to the hearing office and the committee to determine, the presiding members proposed decision. That's our Energy Commission draft decision which collects all the information from the parties, staff just being one, the applicant, any intervenors, and listening to the public comments to say have we addressed this project, have we properly identified mitigation measures, and those are

incorporated in the draft decision.

But also, going back to the BLM process, they'll have a protest period for their proposed plan amendment. It is also under governor's review of the draft -- the draft decision. And then we have a committee hearing, going back to our process, on our presiding members proposed decision. And there's also built in a 30 day comment period on that PMPD, as well.

And then there's an opportunity for the committee to revise their proposed decision and then take that revised decision to the full five member Energy Commission, which we have two members here tonight. There's a five member staff that -- or committee that would -- excuse me, commission that would make that final decision for this project, as well as others. And we're anticipating that that could occur around February of -- of next year. And that would also tie in with BLM's record of decision and right-of-way grant issue to SolarReserve.

HEARING OFFICER VACARRO: Okay.

MR. KESSLER: Any questions?

HEARING OFFICER VACARRO: No. Not -- not at this point. I think we do have a proposal from the applicant, as well, that --

MR. KESSLER: Certainly.

HEARING OFFICER VACCARO: -- that actually redlines

yours. Is there any way we can see that on the screen or are we using our hardcopies of this?

MS. GALATI: I think if you can -- do you -- do you all have the hardcopy?

HEARING OFFICER VACARRO: We do up here.

MS. GALATI: I apologize.

HEARING OFFICER VACARRO: We have a hardcopy.

MS. GALATI: And I'll make this -- this has been docketed it, so it -- the public can look online to make sure they see that. I apologize for not being able to put it online right now.

HEARING OFFICER VACARRO: And -- and maybe, because we can't all see it, maybe if you hit the high points, because --

MS. GALATI: You bet.

HEARING OFFICER VACCARO: -- I think there are sort of a grouping of some high points on your schedule that are worth making note of.

MS. GALATI: There are basically two things that I tried to do. First, I tried to squeeze staff about six weeks, so I did. I asked for your staff assessment draft EIS to be out six weeks earlier than -- than you -- you said it would be out.

Then what I tried to do is to take less time between the time the final comments come in to the final EIS, with the

idea that the rest of the staff assessment could be being prepared during that comment period so that it's ready to go such that -- or the errata so that it's ready to go just to respond to comments. And comments don't always come in at the very end of the time. As you know, there's a 90 day comment period. Comments will trickle in over time.

The other thing that --

MR. KESSLER: Scott, this -- this date here of May 28th was more like April 15th, if I recall.

MS. GALATI: Yes. I moved that to April 15th.

MR. KESSLER: Okay. And then going --

MS. GALATI: The -- which changed the close of the draft EIS comment period on -- to 7/15. And then I changed the response to EIS comments and admin draft, so for internal review, to 8/1.

MR. KESSLER: Okay.

MS. GALATI: And then with the staff assessment errata on 8/15.

HEARING OFFICER VACCARO: And ultimately, though, what you've done is you've taken that February 2011 date at the very end there and moved that forward to December 2010?

MS. GALATI: Yes. And to be evenhanded I not only squeezed staff, but I squeezed the committee a bit on how long it would take to do a presiding members proposed decision. And again, I'm of the firm belief that if you're doing your job as

an applicant and staff you present very few issues to the committee for adjudication. It's not been my experience that that's an effective and efficient use of anyone's time.

So I think that this team is prepared to stipulate as much as we can in agreement, and we'll just pick and choose our battles very wisely. And our goal would be to come to you with a fully stipulated project, like I've done very recently in two projects in front of Commissioner Douglas, and that's what we hope to do. So with that we hope the PMPD is a lot easier for you to write because there's agreement on all the points.

The -- the other main thing that I've done is I find that sometimes when there are obstacles to being able to get through an issue sometimes we need committee guidance. So rather than write things in a status conference report or a status report I think it's better to get in a room and talk to the committee and get guidance face to face. The committee can ask questions, we can all figure out what is important to the committee, because, ultimately, it's the committee making that decision. So I inserted a bunch of status conferences to further impose upon this committee's time to get guidance, if necessary. How we would plan to use those status conferences, if we don't need them we would try to give a week or ten days notice that we don't need them, and only if the committee wanted to have it.

Now the reason that I tried to build those in -- and

I've been successful with one committee that said that that's okay, and unsuccessful with another committee that didn't like this approach. So we'll see what this committee thinks. But the idea is that I -- I know that there's a lot of time, commissioner time, that gets -- that's very difficult to book if you don't book it way in advance.

And so sometimes we come across an impasse or we need a proposal to maybe go forward without a draft agency determination or something like that, and we would ask in order to do that I typically have to make a motion. The committee has to get -- find a calendar date that they're both available. Then we go the motion. And then there's time to decide, and sometimes it's 60 days because of -- of -- of a commission being booked, not ahead of time sometimes it's difficult to get a decision, not because anyone's not trying, it's just that we thought of the status conference too late.

So those are, basically, the three things that I tried to do with the schedule. And again, the plea would be don't buy the very nature of the schedule ensure we can't get ARRA funding. Give us opportunity to work it and -- and maybe get to a point where we can. If we can't the schedule will slip on its own.

MR. KESSLER: May I provide a couple comments?

HEARING OFFICER VACARRO: Yes, please.

MR. KESSLER: The concept of the status conferences

with the committee with, I believe, the first one proposed, Scott, may have been right after the -- the draft EIS staff assessment within -- it was -- anyway, it was prior to our chance to have a workshop. And so I would just suggest that we have a chance to meet ourselves, and then leave for the committee what's left over that they -- that we can't work out ourselves at that point in time.

MS. GALATI: I agree with you, John. I think that's --

MR. KESSLER: Okay.

MS. GALATI: -- that's a good move. And I would point out that I put one on -- on March 10th, which was going to be after our first data response and issue resolution workshop. And if we made progress we could report to the committee that we've made progress on some of these issues.

MR. KESSLER: Wonderful. The -- the second comment would be if we find through further discussion between staff and -- and SolarReserve that we need the special status plant surveys, which I understand for the late season would likely have to be conducted some time in August, that could have an effect on this expedited schedule in that we're looking at trying to produce a final document in August under the proposed schedule. I'm sorry we can't see that on the screen right now, but that's my recollection. And we would certainly have to have that information several weeks beforehand in order to

incorporate into the document.

It may be that we can work between our relative specialists. I talked to Scott White, our biologist, as recently as today about this, that we can find a way to determine if there isn't a need for this survey. We may well conclude that those plants don't exist because of other information in the reports that are out there. I don't know. We're certainly willing to try to go there and avoid the -- the need for surveys if -- if -- if -- if not absolutely needed -- needed to comply with the law.

MS. GALATI: Okay.

COMMISSION DOUGLAS: I'll make a brief comment. I appreciate your ideas and the -- the approaches that you're bringing to the table. I encourage you and staff to work together to resolve as many issues as possible, because this is a very high priority case for us. It's a solar project. It's going for stimulus. It's early, very early in the process. And -- and I actually think that these status conferences may be, in fact, most useful in encouraging early resolution and early clarification of issues.

Commissioner Weisenmiller and I, it may not have escaped notice that we've been talking a little bit as -- as the proceeding has gone on. And -- and we are absolutely interested in incorporating regular status conferences into the schedule.

Beyond that I think we'll take -- take this under advisement and we will come out with a schedule -- scheduling order in short order.

MS. GALATI: Thank -- thank you very much. I -- I -- I do appreciate that. We recognize that it's incredibly challenging at this point in time with furloughs and with staff. We do recognize that. And we'll do our best to resolve these issues and make it easier.

COMMISSION DOUGLAS: Well, we appreciate that. And -- and I think -- I think working together with clear -- with -- with clear approaches for how to meet the objective that staff is trying to meet in its requests, and if you -- if you have creative ideas for how they might meet their needs and you have -- and there's a clear path for, in fact, enforcing or ensuring compliance with performance standards and so on, I expect, I'm looking at staff, I expect that's something you're certainly willing to entertain.

MR. KESSLER: Certainly.

COMMISSION DOUGLAS: And so we'll leave it there for now. So thank you.

MS. GALATI: Thank you.

HEARING OFFICER VACARRO: Okay. I think we're at that point where unless there's anything else that the committee would like to add, staff or the applicant, I think we'd like to go ahead with public comment and questions. Yes?

MS. GRENIER: I just want to mention one quick thing. We provided a fact sheet earlier. I don't know if there are any copies remaining. If you want to get a copy let me know at the end of the evening. I think that they disappeared quickly on the bus ride. And we'll also make some black and white copies of the applicant's presentation available at the back of the room if you want to pick one up for the Rice project.

HEARING OFFICER VACARRO: Okay. Thank you. Okay. We have a few blue cards here. I'm going to call out names. And I you would just come up to the podium and ask your question, whether it's for the applicant, for staff or for the committee, we'll do our best to answer

But here's what we ask, we want everyone to be able to ask their question but we don't want people to ask us half-hour long questions. So we really want to keep these to about three minutes a person. But we invite you to come up and -- and let us know what's on your mind.

So Bob Jensen?

MR. JENSEN: I didn't think I'd be first. I'm Bob Jensen. I've been a resident of Blythe since 1986, long enough to drink the water from the tap. And I do go on record as supporting this project very much. But I think there's a little -- excuse me -- misinformation.

When he talks about the 653 feet tower glowing like the sun, we're not talking the entire 653 feet tower; right?

It’s only the top 30, 20 feet?

MR. BENOIT: It’s the top 100 feet.

MR. JENSEN: The top 20 feet? Okay. Other than the possibility of gypsy moths incinerating themselves into it in hordes, perhaps you could put a sign up to mitigate it, ten miles on either side, please wear a welding helmet when driving through this area. If not that, please wear a pair of sunglasses. Thank you.

HEARING OFFICER VACARRO: Thank you. Charles Hull.

MR. HULL: Good evening, commissioners, staff and members of the public. Charles Hull, 431 Alice Lane in Blythe. Retired from the city’s employment after 35 years as the assistance city manager last Christmas a year ago. And I had the rewarding task of shepherding the Blythe I project through its -- its construction, working with the commission staff and Mr. O’Brien and -- and a number of people in the room, and -- and I learned a lot.

In my considered opinion, personal opinion, this is a good fit for the desert, the environment out there. The receptors are far enough away that even the curvature of the earth will hide that glow 653 feet above the ground.

But I do have a question about the 17,500 mirrors that are focused on that receiver. Electronics break down. You’re working in the desert, and things jam. So if you have a pinpoint of light from any of those mirrors that does not hit

the receiver where does the light go? And how far out is it effective? Can it hit aircraft? Can it -- the -- the problem is what happens if it doesn't hit the receiver from any one of those mirrors or a combination of mirrors?

I support the project. I think it's good for the -- the county. I would like to see the City of Blythe receive some economic benefit. But unless we do an island annexation I don't think that's a possibility. But maybe Mr. Lane has something for that. Thank you for your time. Safe travel home.

HEARING OFFICER VACCARO: Thank you. Applicant, do you want to go ahead --

MS. GALATI: Yeah, we can.

HEARING OFFICER VACARRO: -- and respond to that question?

MS. GALATI: We have Mr. Bill Gould, who I love to call on because he is -- he's not only knowledgeable, but he's actually worked with this technology in Solar II.

MR. GOULD: My name is Bill Gould. I'm the chief technology officer for SolarReserve. For a period of years I operated the Solar II Power Plant which also used the same technology of a large number of heliostats and the molten salt cooling system.

If you walk in front of a single heliostat it just feels like a warm day at the beach. If you had 10 or 20 of

them focusing on you at the same time you would move out of its way because it would be too hot.

Now if you have a pinprick of light from across the valley it would like what you see when you see a reflection of the sun off a distant windshield. It would be a pinprick of light. It would not be hazardous. It's not of the -- the -- the intensity that would cause medical damage of any kind.

If you talk about the airplanes overhead, many times I flew over Solar II. And you look down at the field and it's similar to the appearance of sunlight reflecting off the surface of a lake or off the surface of an ocean. As your position changes the pattern of the light passes.

If you -- if you imagined, for example, that the heliostats are focused on the receiver at the top of the 600 foot tower and they miss the rays continue to diverge. So at 30,000 feet you do not have a concentration of light. You have a dispersion.

HEARING OFFICER VACCARO: I have -- I believe this is Jim Shirley (sic). Is that correct?

MR. SHIPLEY: It's -- it's Shipley.

HEARING OFFICER VACARRO: Shipley?

MR. SHIPLEY: The next project.

HEARING OFFICER VACARRO: Okay. On the next one?

MR. SHIPLEY: Next project.

HEARING OFFICER VACARRO: Okay. Thank you. What

about Larry McLaughlin? It says for all. But I don't know, is that really the other projects or does that pertain to Rice?

MR. SHIPLEY: He stepped outside. He's outside.

HEARING OFFICER VACARRO: Okay. Thank you. Lee Haven?

MR. HAVEN: Thank you, commissioners. My name is Lee Haven. I'm the business development manager and government relations manager for Granite Construction. We do a lot of road work for Caltrans, particularly in this community, as well. However, I have a different hat on today. I'm actually involved with the workforce -- the Riverside County Workforce Investment Board, executive board.

I'm also the chair of the Eastern Regional Committee. We partner with a lot of groups in this particular eastern part of Riverside County, Coachella Valley Economic Partnership which organizes the Coachella Valley Roundtable, Renewable Energy Roundtable, UCR, College of the Desert. And our organization approved about six months ago a $400,000 grant for renewable energy training for people out of work and people looking for work, and to retrain electricians. Currently there's two grants for going through the College of the Desert, one for utility grade solar installations, and one for wind turbine technicians.

And I just have one quick kind of anecdotal story about that. Just recently they graduated their first class of

16 students whereby each student needed 20 hours of curriculum, which if you add it up there about 320 total hours that the students were involved with, and five of those hours were missed. So there are lots of interest in jobs, particularly in our community, recognizing that this I-10 corridor is certainly an area for renewable energy.

So in closing I'd just say that as the Workforce Investment Board we're certainly in favor of these projects and recognize the positive aspects of job creation out here in the eastern Riverside County. Thank you.

COMMISSION DOUGLAS: Okay. Alfredo Martinez-Morales?

MR. MARTINEZ-MORALES: Yeah. Good evening. I would like to make a statement of support. My name is Alfredo Martinez. I'm the managing director of SC-RISE at the University of California Riverside. We are as solar initiative at its focus on three main -- three main components, teaching and training, assessment of current technologies, and the development of -- of fundamental research for new technologies.

Our goal, it's to be an honest broker in this process. And we -- we value and we recognize, you know, the -- the potential of solar energy. And -- and we definitely are looking forward to be active participants in the process. And we support this solar project. Thank you.

HEARING OFFICER VACARRO: Thank you. Mr. McLaughlin

in the room now?

MR. MCLAUGHLIN: Thank you very much. I'm sorry. I was out of the room when you called my name the first time. But I'm with College of the Desert. My name is Larry McLaughlin. And I'm the director of their advanced transportation technology and energy center. This center is one of ten established across the State of California by the -- the chancellor's office of the community college system. And what we do is we develop training curricula and transition that curricula out to other community colleges in our region, and also establish the training that goes along with it. And that's what I'd like to tell you about.

I just wanted to briefly mention to you that we are establishing a training program for utility scale solar energy construction and maintenance skills. And we're working with members of industry, some of them here tonight, we're working with members of labor, some of them here tonight, to make sure that this works both for industry and labor.

And we have as a partner Palo Verde College. Palo Verde will be doing some of the curriculum development work, as well as some of the training here in Blythe. We think this partnership will be effective for serving this I-10 energy corridor that was mentioned. We're very excited about having this opportunity. It was through a grant that we had received from the California Energy Commission and the Employment

Development Department.

I also want to mention that we have a local Workforce Investment Board partner that's working with us on this project, which is the Riverside County Economic Development Agency's Workforce Development Division. So this project is all about getting people trained and prepared for the opportunities that these industries are bringing to our region. And we're hoping that through this program we'll have higher skilled people, people who are cognizant of the safety issues as they take these roles and do the work, and that will be good for everybody concerned So thank you very much.

I have for you a brief description of the project if you'd like to enter something for the record about our program.

HEARING OFFICER VACARRO: Thank you.

MR. MCLAUGHLIN: Thank you very much.

HEARING OFFICER VACARRO: Okay. I don't have any more blue cards. I take it there are no more members of the public? Yes? Would you state your name, first and last, please?

MR. LANE: My name is Dave Lane. I did fill out a card. I -- maybe it was the wrong color. I don't know.

HEARING OFFICER VACARRO: Oh. I'm sorry.

MR. LANE: I'm the city manager here. On behalf of the city council let me welcome you. I hope the -- the

accommodations are satisfactory. It is a little disconcerting to see it is a little disconcerting to see somebody in my chair though. We city managers get nervous about that kind of thing.

MR. BENOIT: No intentions. Tell Scott that -- that I used his chair.

MR. LANE: Consider it a sublet for the evening. Okay? You're gone tomorrow, buddy.

I can't speak for the city council because the city has not yet taken a position on any of these projects. And just a point of clarification, this comment period is for this project only.

HEARING OFFICER VACCARO: It's --

MR. LANE: There's a little confusion.

HEARING OFFICER VACARRO: It's for Rice at this time.

MR. LANE: Only Rice?

HEARING OFFICER VACARRO: And then at the end of Blythe-Palen we'll have public comment again.

MR. LANE: Thank you for clearing that up.

I don't know this company. But I -- and I can't say that I know the industry because I'm science challenged. The minute they told me they're going to heat salt they lost me. I'm a business major. I couldn't handle that.

I am intrigued by 653 foot tower there. If there's a way for me to get tourists here I'm all for it. So in that regard we're going to work on it.

But I am supportive as a city manager of an industry that helps achieve the -- the renewable requirement, that is green, to the extent that's important to those who are into green. And, certainly, we in government need to be. And especially of an industry that is going to bring a lot of jobs to the community, buy things locally and put people up at hotels, at least for a little while. So we're looking forward to getting to know this company a little better and support the concept. Thank you.

HEARING OFFICER VACCARO: Thank you. Okay. I think this is the time --

COMMISSION DOUGLAS: There's one more hand.

HEARING OFFICER VACARRO: Oh. Yes, ma'am?

I didn't turn in blue card.

HEARING OFFICER VACARRO: That's okay. Come on up.

MS. OTERO: I was going to try to get --

HEARING OFFICER VACARRO: Say your first and last name.

MS. OTERO: -- all my comments in for all the projects.

Good evening, commissioners. My name is Linda Otero. I am from the Fort Mojave Indian Tribe located on the border of California-Arizona-Nevada, part of the Yuman Tribes that exist along the Colorado River. I've been involved with projects, and has been stated about the Blythe energy -- Blythe I

project. We -- we were involved. We weren't as intensely involved with the energy part two of that.

But it seems that -- and I know it's probably going to be addressed in the next phase of the topics, as well, of cumulative impact effects. That's one of the things I wanted to raise in this -- in this project itself. And also cultural resources. I know it's -- it's an issue that doesn't get full timeframe in terms of the biological. But I was -- as you were sharing with the time schedule, some of those issues could, you know, be needed to be addressed for the other tribes, and not only for Mojave but the tribes along the river who have in historical times lived around this desert area.

I heard that the desert is just there, nowhere land. But this is our home, our backbone to -- to the Colorado River when the river flowed heavily at -- in -- in -- in our ancestors times. And we've transported and went across to the Pacific Coast and -- and traveled along these areas here. I'm very familiar with the Blythe area, south of the Blythe area. We have our -- our location here where we also recognize boundaries with -- with the (inaudible) in Mojave. So these things are very important to us.

And I don't know if -- folks coming from different areas do not know the history of this -- this -- this landscape, which includes the river and the -- the massive lands that you see and the mountains. They're named and

they're identified in our songs, in our stories. So they have a meaning to us and that's our history for our people.

And today we're at a loss because our young people are being -- you know, share other ways of -- of knowledge that don't always talk about who we are. And so we're losing that, but yet those are our teaching resources. We have to go back to them and share with them where things are of importance.

So just consider that when you -- you address and need to address the cultural resource aspects of this. There could be traditional cultural places, as well, that are not being identified. I know through the process of the Natural Historic Preservation Act under the NEPA, that's where tribes do have an opportunity, especially when there's significant things that shouldn't be, you know, displayed in the public. So that's one manner why we have full consultation under the law.

And I guess for clarifications, as well, knowing that BLM is -- is for the right-of-way, but yet the permitting and the application is on private land, so you've got to take that CEQA process.

So I think this still needs the opportunity for tribes to have their fair hearing on that, as well. And so that consultation process should be acknowledged and allowed for tribes to participate fully. So I know I'll be forwarding some more comments that, you know, will address some of the

things that we need to do and share with.

But by all means, I also invite you to our homelands if you need to also visit the places that connect to these -- what you're sharing.

I'm sorry I missed the -- the site tour. I was trying to get to at least the 3:30. But the rains had wiped out the roads from 95. Otherwise, I could have been here in an hour-and-a-half. So I had to go through Havasu, so I missed the last site tour. But this I could have shared as well, but I still offer that opportunity. And I will leave you my contact name and numbers, as well, so you understand that you don't just, you know, go into this project without understanding what we're trying to explain, as well, so we don't get into the end part of the process and say all of a sudden here we have some things that need to be addressed.

So I appreciate being heard early in this process, as well. So I certainly will be looking forward to more information, as well. Thank you.

HEARING OFFICER VACCARO: Thank you.

MS. GALATI: Ms. Chair?

COMMISSION DOUGLAS: Uh-huh.

MS. GALATI: Doug Davy, are you still in the room? Doug, can you raise your hand?

Ms. Otero, if you could exchange information with Mr. Davy, he's an archeologist, as well, and heading up the -- our

team. And so we'd be more than -- more than happy and interested in talking to you more. I can tell you that I believe Western is engaging in the consultation that you discussed.

MS. OTERO: Okay. Thank you.

HEARING OFFICER VACCARO: Okay. On that note I'm going to turn it over to commissioner -- is -- do we have yet another public comment?

MR. HANSON: Yes, please.

HEARING OFFICER VACARRO: Okay. I'm thinking after this if anyone else has one, perhaps they can save it for Blythe-Palen, or we really do need the blue card. Thank you.

Quenton Hanson?

MR. HANSON: Yes; 830 Oleander Lane. I've got comments that specifically address the labor element. Because, unfortunately, we don't really see the economic, you know, item here on the board and whatever. And I want to emphasize how vastly important and -- it is to this local community.

Most of you on the committee and the staff and so forth come from large cities and so forth. We are not like that here in Blythe. We have one hospital, that's where we go to. And I you can't have your problem solved there you're air evacked out. And most patients get air evacked out for their special treatment that they need.

Our city has had two rounds of layoffs already.

We're reading Riverside County is considering layoffs in the future, but our city has already had two rounds of layoffs, simply because the economics are not there to support the city.

The -- when we talk about the fields here, agriculture, agriculture is in decline here. Alfalfa was $240 a ton two years ago. It's now down to $70 a ton. Forty-four percent of our crops are fallowed out there because we are shipping our water to support LA and San Diego. That is impacting our community tremendously. So it's not just an economic recession here, but it's the transfer of the water and fallowing and so forth that's having impact.

The jobs that they -- construction jobs that these projects can provide for the local residents, and I define local residents as being basically the City of Blythe, and I appreciate the MOU that the colleges are trying to work out and so forth, but there has got to be -- there has got to be some allowance for local labor.

And what's happening on the state level, the unions are coming to the California Energy Commission and getting labor contracts. And you'd better believe the union halls have plenty of unemployed electricians that are willing to come to Blythe here and work on these projects. And, yes, we appreciate them filling our hotel rooms and buying the food and so forth, but it's not the same thing as locals getting the paycheck.

Now realistically, when it comes to talent locally here we don't have master electricians. We have very few journeymen. Most of our labor would be at the lower economic ladder, meaning apprenticeships, laborers and so forth. But we are asking very definitely, there's got to be some provision within the entire scope of this hearing to ensure that we get local labor on these projects.

Now I did, in fact, have the opportunity to work with Blythe Energy Plant I. In fact, I did the monthly report on local labor versus outside labor, and they reached 23, 24 percent at the high point of local labor working on these projects. Now we were counting just bodies there because realistically, like I say, we have the lower skill levels available. But there's got to be some provision for rural communities like this, because we're going to be facing and living with these products for the next 25, 30 years, that local labor gets included in these projects. I would suggest an earmark of about 25 percent, realizing if we don't have the labor available or the talent needed we can't meet those marks. But there's got to be some consideration and a serious consideration of employing local labor on these projects wherever and whenever possible.

So that's my urging, and a very serious urging. Because we're a rural community we can't go down the street to find the next job. We're very limited here. Thank you very

much for your time.

HEARING OFFICER VACARRO: Thank you. With that I'll turn it over to Commissioner Douglas to adjourn this Rice Solar Energy Project hearing.

COMMISSION DOUGLAS: Well, I would like to thank everybody here, applicant, staff, and most especially the members of the public. This has already been a long evening. It's about to become a longer evening for many of the people here. And -- and as we heard and as we know transportation to this hearing has unfortunately been especially difficult for a number of you. So I can't tell you enough how much we all appreciate your being here tonight and participating. It's very important for us to hear from you. That's why we came here. And we're very pleased to see the public interest. We're very pleased to take your comments.

If you did not make a comment tonight but you wish to comment or wish to ask a question you can do so. You can contact staff or the applicant or the public advisor's office and do so.

With that the Rice information hearing is adjourned.

PROCEEDINGS CONCLUDE AT 7:43 P.M.

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TRANSCRIBER'S CERTIFICATE

I, Martha L. Nelson, attest that the foregoing proceedings provided to me via cassette tape were transcribed to the best of my ability.

I further certify that I am not a relative or employee of any attorney of the parties, nor financially interested in the action.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated this 5th day of February, 2010.

_____/s/ Martha L. Nelson_____